

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2001-30

March 5, 2001

CENTRAL MAINE POWER COMPANY  
Petition to Establish Power Purchase  
Agreement Rate (Standard Rates for  
Short Term Energy Purchases)

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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**I. SUMMARY OF DECISION**

On January 10, 2001, Central Maine Power Company (CMP) filed its Short Term Energy Only (STEO) rates for 2001 pursuant to Chapter 360 of the Commission's rules. CMP requests that the Commission approve the rate of 2.79 cents per kWh which was the winning bid in CMP's sale of energy and capacity from the qualifying facilities' contracts. In the alternative, CMP requests that the Commission adopt a STEO rate of 2.84 cents per kWh which was the highest stand-alone bid in CMP's sale of its qualifying facilities entitlements. We conclude, as we did in Docket No. 2000-10,<sup>1</sup> that the STEO rate should be based on the highest stand alone bid received in CMP's 1999 Chapter 307 auction of its qualifying facilities entitlements. Accordingly we adopt a STEO rate of 2.84 cents per kWh for CMP's 2001 STEO rate.

**II. PROCEDURAL HISTORY**

As required by Chapter 360, CMP served its filing on a predetermined service list. In response, the Independent Energy Producers of Maine filed a letter to the Commission on January 12, 2001, asking that the Commission "base the next year's STEO rates on the estimated energy and capacity purchase prices published and readily available for the ISO-NE." The Examiner issued a Notice of Proceeding and Procedural Order on February 1, 2001, in which she considered the IEPM letter as a Petition to Intervene and an objection to the CMP filing. The Examiner granted the IEPM's petition to intervene, established a deadline for interventions and objections to CMP's filing, and required any party objecting to the filing to indicate what facts and circumstances, if any, have changed since the Commission issued its Orders in Docket No. 2000-10. The only filing received after the February 1, 2001 Notice and Order was a letter from CMP agreeing with the Examiner's suggested procedure for processing CMP's filing.

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<sup>1</sup> See, *Central Maine Power Company, Standard Rates for Energy and Capacity Purchases*, Docket No. 2000-10, Order (March 28, 2000), Order on Petition for Reconsideration (May 16, 2000).

### III. DISCUSSION

In Docket No. 2000-10, we determined that the STEO rate for 2000 should be 2.84 cents per kWh, which was the highest stand-alone bid received in CMP's Chapter 307 auction rather than the 2.79 cents per kWh bid that was linked to the provision of standard offer service. We rejected the argument made by the IEPM and S.D. Warren that the STEO rate should be based on the ISO-NE spot market energy clearing prices rather than on the bids submitted in accordance with Chapter 307. See, *Central Maine Power Company, Standard Rates for Energy and Capacity Purchases*, Docket No. 2000-10, Order (March 28, 2000), Order on Petition for Reconsideration (May 16, 2000).

In this case, the IEPM concedes that this matter was "extensively litigated" in Docket No. 2000-10. It states that, if the Commission again rejects the IEPM's proposed methodology for determining the STEO rate, "the 2.84 cents figure, representing the highest stand-alone bid should be used." The IEPM did not respond to the Examiner's order that "any party raising an objection to the setting of STEO rates for 2001 at 2.84 cents per kWh should indicate what facts and circumstances if any have changed since the Commission issued its Orders in Docket No. 2000-10."<sup>2</sup>

We conclude that there are no changed circumstances that might lead us to reach a different result than we did in Docket No. 2000-10. In that case we determined that the market value at the time of the sale was best shown by the highest stand-alone bid made in accordance with the requirements of Chapter 307. See *Central Maine Power Company, Standard Rates for Energy and Capacity Purchases*, Docket No. 2000-10 Order at 5-6 (March 28, 2000). The highest stand-alone bid was 2.84 cents per kWh and this bid covered the period through February 28, 2002. Accordingly, we adopt 2.84 cents per kWh as the STEO rate for 2001.

CMP requests that if the Commission adopts the 2.84 cents STEO rate rather than the 2.79 cents linked bid, the Commission permit CMP to fully recover the difference between what it receives under its entitlement sale (2.79 cents) and what it pays qualifying utilities for short-term energy rates (2.84 cents). In Docket No. 2000-10, we stated, "CMP should have an opportunity to fully recover the difference between the price that it would have received for the QF output if the bid had not been linked and the price that it actually is receiving." *Id* at 7. We further noted that providing this opportunity did not violate the statute's prohibition on new stranded costs because the obligations associated with the qualifying facilities contracts were incurred prior to April 1995. See 35-A M.R.S.A. § 3208(3). We see no reason to reach a different result here. Accordingly, the difference between the amount that CMP receives as a result of

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<sup>2</sup> The Examiner noted that simply providing evidence of different energy clearing prices from last year would not, in the Examiner's view, qualify as a changed circumstance because the Commission did not base its decision in Docket No. 2000-10 on a comparison of the highest stand-alone Chapter 307 bid with past or projected spot energy prices.

the Chapter 307 auction and the amount that it pays to qualifying facilities pursuant to this Order may be included in CMP's stranded cost calculation.

Dated at Augusta, Maine, this 5th day of March, 2001.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      Welch  
   Nugent  
   Diamond

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.